

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION

October 30, 1969

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MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Ambassador Bunker's Assessment of the Vietnam Situation

Ambassador Bunker has submitted his personal appraisal of the overall Vietnam situation to you in the attached cable (Tab A). His assessment is pegged to the total political, military, economic and social climate for successful Vietnamization of the war.

The Ambassador concludes that very substantial progress has been made in many areas, although serious problems and deficiencies remain. Probably the most unsettling problem is apprehension about US intentions. Bunker particularly fears the effect on South Vietnamese morale of a precipitous withdrawal of US forces, or a fixed timetable that would put the reductions on an automatic basis. He believes that carefully paced Vietnamization will work if carried out with enough flexibility to counter any enemy moves.

Ambassador Bunker makes the following major points on the war situation:

The Government

-- Khiem's government is an improvement over its predecessor. It is more of a team, and is focusing hard on major problems.

-- Organizationally, the GVN has not been very successful in broadening its political base. Nevertheless, it is getting increased grass roots support and is doing a better job of local administration. It is broadening the base from the bottom up, not from the top down.

The Military

-- Ambassador Bunker echoes General Abrams view that there has been continuing improvement in the RVNAF, that gains from here on will be more qualitative than quantitative, and that significant problems remain, among them high desertions and poor leadership.

TOP SECRET/EYES ONLY

-2-

-- The ARVN casualty rate, and that of the enemy faced by ARVN, has gone up in recent weeks, indicating that the combat load of the ARVN is increasing.

-- US force reductions have so far not hurt ARVN morale. A precipitous US withdrawal would probably totally undercut all the GVN military gains, however. A carefully phased withdrawal, on the other hand, might tend to raise ARVN confidence in its ability to take over and hence raise ARVN morale.

Enemy Intentions

-- The enemy is definitely trying to provide facilities in Laos for potential infiltration considerably in excess of current rates.

-- The latest captured enemy resolution on strategy suggests an intent to try and block our piecemeal withdrawals by hitting ARVN and US troops and upsetting redeployment schedules. The objective is to force a complete US withdrawal.

-- There are other signs, however, that the enemy may be planning only to continue his present, low-posture military efforts. It is possible that he has not yet decided and is leaving his options open.

Pacification

-- The emphasis is now on consolidation of the substantial gains made this year. The GVN is trying to build depth and breadth into the program.

-- This is partly reflected in the already sizeable expansion of the territorial security forces and other civil defense elements.

-- There is a much improved climate throughout the countryside in terms of economic revival and popular livelihood.

-- The program is still thin and vulnerable, however. The infrastructure has been damaged, but not destroyed.

The Economy

-- We are at a critical point in which the GVN will have to fill in behind US withdrawals with substantial additional expenditures. Unless the GVN takes strong measures to up its own revenues, and the US adds to our economic aid, inflationary pressures could

TOP SECRET/EYES ONLY

-3-

-- The GVN is moving hard to do its share, and has taken austerity measures beyond our expectations in raising taxes.

The Future of Vietnamization

-- Bunker supports Thieu's proposal to expand the RVNAF to 1,100,000 by the end of 1970 with special emphasis on territorial forces.

-- He believes there is a serious question as to whether any fixed schedule for overall US troop replacements should be announced until we have a better reading on enemy military intentions in early 1970.

-- He mainly fears the psychological blow to the Vietnamese if, in the face of a major enemy offensive, "automatic" US redeployments were to continue.

-- If a fixed schedule is to be announced, Bunker favors a range tied to a later reassessment of progress.

A Ceasefire

-- The Ambassador believes we should continue to insist on a ceasefire tied to proper agreements on verification of the withdrawal of NVA forces.

-- He has not had the opportunity to discuss this question in detail yet with Thieu, but Thieu has generally taken the position that the present allied stance on a ceasefire is a viable one which should be maintained.

Attachment

TOP SECRET/EYES ONLY

FROM: Ambassador Bunker, Saigon 287

To The White House, EYES ONLY THE PRESIDENT

SUBJECT: Assessment of Current Situation and Outlook for
Vietnamization in 1970

I. The Current Situation

1. I shall attempt to give my evaluation on the current situation in Vietnam with special relevance to its bearing on vietnamization both presently and projected ahead for 1970. A definition of vietnamization, I take it, would include all of the factors -- political, military, economic, social and psychological -- which would make it possible for the GVN to assume responsibility for the defense and security of the country, maintain a stable government and develop a viable economy. I think it is, therefore, important to first review the situation as it appears today.

A. The Government

2. I believe that there is no question but that the Khiem government, while it does not include all the party politicians whom Thieu had hoped to include, is a very considerable improvement over the predecessor Huong government in terms of effectiveness as well as politically. The Prime Minister is not only a much more efficient executive than Huong, but he also enjoys better relations with the Assembly. Foreign Minister Lam is more effective than was Thanh. The economic team of Ngoc, as Minister of Economy, and Hue, as Minister of Finance, are great improvements over their predecessors. Working with Nguyen Huu Hanh as Presidential Adviser, they have already demonstrated their effectiveness. The Ministry of Public Works, Rural Development, Transport and Post and Veterans Affairs are proving more effective than their predecessors.

3. Perhaps more important, the new cabinet is more of a team than its predecessor. A greater participation of the party leaders would have been at the cost, to some considerable extent, of teamwork and effectiveness. There are, nevertheless, some politically attractive elements in the cabinet, notably the highly respected Deputy Prime Minister Vien, who is also an effective Minister of Education; and the articulate, liberal intellectual Phan Quang Dan, whom Huong excluded from his government last year because of Dan's liberal views. The new government is focusing on the major problems facing the country and gives promise of increasing effectiveness.

TOP SECRET

TOP SECRET

-2-

B. Political Development

4. There has been a good deal of comment about the alleged failure of Thieu to broaden the base of the government. It is true that he failed to broaden it much in terms of the political parties. This is largely due to the fact that most of the political leaders felt it beneath their dignity to accept anything but the top posts and obviously there were not enough to go around. It is wrong, however, to think that failure to include more politicians has much relevance to the base, i. e., with public opinion and popular support. When he formed the National Social Democratic Front, Thieu made it clear to the political leaders that, as he put it, they would have to earn their way into the government by organizing among the people at the provincial level. This they have signally failed in doing; but Thieu also has failed to give them sustained guidance.

5. There is, on the other hand, increasing evidence that Thieu himself, and in a wider sense the government as the instrumentality that brings benefits to the people, enjoys greater support than it did before and that this support is growing. The government is working actively to bring democracy to the rice roots by supporting the elected village governments, by training officials in administration and by providing funds for involvement of the people in their local development. There is evidence that this is becoming increasingly effective.

6. I believe that Thieu is correct in his view that political development will have to come increasingly from the bottom up rather than the top down; that effective government is the most promising way to mobilize public support rather than through the old political parties which have little popular support. The development of village autonomy, the growing security in the countryside which is both stimulating the economy and permitting refugees in large numbers to return to their hamlets, the enrollment of nearly two and one-half million people in the peoples' self-defense force, indicating commitment to the government, the support of the military and the civil service provide evidence of a broad base of support for the government. This is not to say that this support could not be impaired or shaken were the enemy to succeed in mounting heavy attacks on the pacification program. But I think one must conclude that Thieu and the government are moving in the right direction, and with substantial success, toward achieving acceptance and stability.

TOP SECRET

TOP SECRET

-3-

C. Military

7. Development of RVNAF. RVNAF effectiveness has continued to progress as they have received more modern equipment and intensified training. U.S. combat, logistics, communications, air support and combined command operations with RVNAF and U.S. units have been important factors in achieving progress. There are still deficiencies in leadership and desertions continue to be a problem. Nevertheless the program to add quantitatively to the ground combat power of the ARVN is almost complete, except for some artillery and engineer battalions. The main emphasis now will be on qualitative improvement. While equipment of the Vietnamese Air Force and Navy has not proceeded as rapidly as that of ARVN they are quite effective organizations.

8. The increasing effectiveness of the RVNAF has made it possible over the past few months to move all U.S. forces out of the Saigon defenses, their missions being assumed by ARVN. A proposal is now being considered to move ARVN units further out from the capital military district as well, turning their missions over to the territorial forces. With the departure of the U.S. 9th Division from IV Corps, that area is now the responsibility of the Vietnamese forces. The expansion of the role of the territorial forces with the consequent release of ARVN for main combat functions typifies what will have to take place in most of the key areas in South Vietnam.

9. I think it is fair to say that the Vietnamese Armed Forces have shown steady though uneven improvement. In the last three months, their initial reported battle losses (which invariably go up when final figures are recorded) have been approximately twice those of the U.S.; the last month they have been running at a ratio of about three to one. They have also been inflicting more casualties on the enemy. These are welcome indications of increasing aggressiveness.

10. There are, however, defects such as a lack of trained officers and technicians, grade imbalances and slow promotions, desertions, a lack of thoroughness in planning and coordination and a shortage in technical skills.

11. There is evidence among both the officer corps and enlisted men of a greater national spirit and a feeling of pride in being given

TOP SECRET

TOP SECRET

-4-

greater responsibility for fighting the war. At the same time, high prices, low salaries, and a poor promotion system have an adverse effect on morale. There is also fear among many officers that the U.S. has already decided on a pre-determined schedule for withdrawals and will carry these out without regard to the battlefield situation or progress made by the ARVN. Unless dispelled this could have an erosive effect on morale.

12. In many cases, the morale of the RF and PF is better than that of the ARVN for the reason that they are operating at home or close to their home bases. In I Corps and IV Corps especially they have turned in some excellent performances.

13. I think it is fair to say that as the U.S. force reductions have been carried out so far these have not had an adverse effect on RVNAF morale and in some cases this has improved. Precipitous U.S. withdrawal would undoubtedly cause widespread apprehension and disillusionment and thus could jeopardize everything that has been achieved in the way of RVNAF progress. On the other hand, the sense of pride already induced by Vietnamization should be exploitable. A carefully timed withdrawal which takes into account RVNAF's capabilities and permits time to develop them could well have the effect of raising morale and the will to fight.

14. Enemy intentions. Enemy activity in the Laos Panhandle has greatly increased as the dry season approaches, and substantial numbers are engaged in the construction and repair of roads and in the extension of oil pipelines. It seems evident that he is endeavoring to provide the facilities for potential infiltration in numbers greatly in excess of present rates. Other indicators of pending decisions are a beginning of the redeployment of three divisions poised along the border of III Corps and Cambodia westward; the probable movement of the balance of the 1st Division, including its headquarters, into IV Corps; and the movement of the 320th NVA division in North Vietnam southward.

15. The capture of COSVN Resolution 9 on October 9, I believe, gives us a good deal more information about enemy intentions than we had two weeks ago. The first "basic point" in the chapter "Future Enemy Scheme and our Immediate Task" indicates that there is great opportunity "to concentrate our efforts to attain a decisive victory in a relatively short time." There is a good deal more of the "continuous

TOP SECRET

TOP SECRET

-5-

uprisings and all-out offensive" approach in this document than of "protracted war".

16. The enemy's priorities are specifically arranged so as to wreck our reduction program, not by accelerating it through inaction but, on the contrary, by making piecemeal withdrawals impossible. He speaks of "breaking the deescalation plan of the U.S. and (its plan of) protracting the war to obtain a stronger position, and driving the puppet troops into total collapse (Thuy) preventing them from replacing U.S. troops in the future." Well planned and coordinated piecemeal withdrawal of U.S. forces is correctly recognized by the enemy as great danger. While military actions against the pacification program and against the cities also have high priority in the enemy's plan, I gain the distinct impression that attacks against U.S. and South Vietnamese troops, in order to upset departure schedules and force the complete rather than piecemeal withdrawal of U.S. forces, are an essential part of his design.

17. Against this view, one may cite other factors. The infiltration rate is down. Recruitment continues, but at a reduced rate. The enemy finds it necessary to use abduction and impressment in his effort to make up for heavy losses. This is a result, I believe, of significant improvement in population security in many areas. In addition, enemy losses in KIA, died of wounds and Hoi Chanh have continued at the extremely high rates of 1968 (Hoi Chanh, of course, greatly exceeding last year's figure). There is no question that the enemy has faced and continues to face a steadily deteriorating situation within country. This leads one to the suggestion that he may be contemplating an alternate course of action to that proposed in COSVN Resolution 9, i.e., a low level of activity punctuated by occasional high points, in the hope of encouraging more rapid U.S. withdrawal. If he succeeded in this, he could then exercise the option of more massive attacks in the hope of destroying the resistance of the RVNAF.

18. It seems to be a fair assumption, therefore, that the enemy is leaving open these options, and has not yet made a decision on which course to follow.

D. Pacification

19. The GVN pacification program is changing its priorities to reflect a new situation. Its primary emphasis over the past year has been expansion. Behind an effective military shield, the GVN pacifica-

TOP SECRET

TOP SECRET

-6-

tion program reestablished the presence and authority of the government throughout most of the land. Since January 1, 900,000 people have been brought within reasonable GVN protection, the total now standing at 90.5 percent. One-thousand Seven-hundred ninety-one hamlets have been raised to C status on the HES. Territorial forces have been increased in strength to 450,000, given M-16s, and deployed to hitherto abandoned areas. Nearly two and one-half million people have been enlisted in the People's Self-Defense Force; some 350,000 weapons have been put into their hands to help them defend their communities. Perhaps most significant, some 272,000 people have returned to the villages they abandoned under enemy threat or military pressure and are rebuilding their homes, replanting their fields, and reshaping their lives. While these, like many statistics, are by no means absolute, one cannot fail to recognize that the real situation in the rural areas of Vietnam has indeed changed in character. Open roads, crowded markets, the dissipation of fear, the 38,600 ralliers to the GVN from VC ranks, all attest to this new situation in the countryside.

20. Viewed in perspective against the past, the present is markedly improved. Viewed against the necessity of long term containment of an aggressive North Vietnam, however, it is clear that the program must build depth as well as breadth. In some respects this depth exists; in the increased effectiveness of the territorial forces; in the 9,500 trained village officials returned to their homes after training and motivation in Vung Tau; in the elections held in over 90 percent of the villages and hamlets; and in the development of a solid command structure and national plan for pacification.

21. In other respects, however, the situation is still thin and vulnerable to a resurgence of intense enemy attack or internal factional demagoguery. The VC infrastructure has been damaged but not substantially eliminated though steps are being taken to improve the program. The people's self-defense force is in its early stages as a popular militia and has yet to develop the discipline and confidence needed to relieve full time troops of the job of securing the villages and hamlets. The decentralization of decision making on local affairs to the villagers, to build a genuine political base in the population, still meets reluctance from the civilian and military bureaucratic establishment to yield authority to locally elected officials. And the information program has yet to develop the dynamism necessary to national mobilization of will and unity.

TOP SECRET

TOP SECRET

-7-

22. It is clear, however, that the government and especially the President have identified the problem areas and are gathering the tools to work on them in the same effective way they organized the expansion program this past year. Thus the President's directives for 1970 call for first priority to be given to consolidation of security rather than further expansion; further political development at the provincial council level as well as the village; bringing the campaign against the VC infrastructure into the open as a national program to protect the people against terrorism; giving special attention to the urban areas with their dislocated and volatile slum dwellers; and focus on the problems of the most under-privileged classes through such programs as land to the tiller.

23. The expansion of pacification has produced momentum which is being applied to its consolidation. The enemy has recognized the substantial threat of this program and has targeted it for greater attacks in the coming months. While he may have some local successes, I believe it is not likely that he will be able substantially to reverse the basic trend which has opened the countryside and begun to give a sense of participation in their government and hope for their future to millions of Vietnamese. The real test will lie in whether the GVN's political consolidation strategy can develop effective momentum to overcome the shocks emanating from the U.S. debate over Vietnam and traditional Vietnamese centrifugal tendencies. In my opinion, Thieu has the personal drive and conviction and the GVN has the structure and strategy to do so.

E. Economic

24. The principal economic effect in 1970 will stem not from U.S. withdrawals, but from the additional GVN expenditures required to fill in behind us. The expansion in the GVN budget, therefore, for 1970 and 1971 will be substantial. In the absence of firm action by the government to increase revenues substantially and of some additional economic assistance from the United States, the upward pressure on prices could be disastrous. It is highly encouraging, therefore, to report that the government has already taken strong action by raising taxes on a wide variety of items going beyond what we had originally thought possible. The increase in revenue through measures already applied will amount to between 45 and 50 billion piasters. Measures which the government proposes to submit to the Assembly should

TOP SECRET

TOP SECRET

-8-

bring in approximately 10 billion piasters more. These measures would reduce the budget gap to a point which would indicate that price increases next year might be limited to approximately 15 percent, about half the amount we have hitherto considered tolerable. Thieu and the GVN, I think, must be credited with great courage in tackling this difficult problem head-on and with such promptness.

25. In addition to the revenue raising feature of these measures the large increases in taxes on luxury goods ranging up to 650 percent (the average increase for all imports additionally taxed is 75 percent) though it may pose some political difficulties for the government provides a healthy emphasis on austerity.

F. The Future of Vietnamization

26. I believe that Thieu's proposal, which I have previously reported, to expand RVNAF to a total strength of 1,100,000 by the end of 1970, with emphasis on the expansion of the territorial forces, is sound and that we should encourage and help the GVN to proceed with the planning for this expansion. I have also reported that on Thieu's instructions JCS has initiated talks with MACV looking toward RVNAF expansion in anticipation of the redeployment of 150,000 U. S. troops during 1970. It seems that Thieu's plan to upgrade the PSDF and the territorial forces and the RF/PF with a view to their gradually taking over responsibility for security from the ARVN, thus giving ARVN mobility and the freedom and responsibility to engage the enemy main force units, is sound. Plans call for the creation of four or five mobile divisions: airborne, marines, rangers, and one or two infantry divisions. The job of providing training and leadership will be the responsibility of the GVN, but improved weaponry must come from the United States.

27. I believe there is a serious question whether we should fix any overall schedule for replacements during the next year before we know more about the magnitude of the upcoming enemy effort. I have described above the options which I believe he is maintaining for the year ahead. This suggests to me that flexibility in our planning and in any announcement of targets is of great importance, i. e., that we should not lock ourselves into a rigid position from which we would find it difficult to depart. It might in fact be desirable to state explicitly that the entire program would have to be reviewed in the light of a possible enemy offensive and that while we do not intend to allow the enemy to disrupt the overall concept, we would make adjustments in it whenever necessary.

TOP SECRET

TOP SECRET

-9-

28. I do not believe that a major enemy offensive early next year will have chance of succeeding militarily, even if redeployment of a sizeable additional increment is underway. The danger is rather in the psychological field because of the possibility that Vietnamese morale may be adversely affected if there is a prospect of seemingly "automatic" sizeable US troop reductions continuing during the year. Once the offensive is over, we would have an entirely different situation. The announcement of a sizeable additional increment after the failure of an enemy offensive might be relatively easy for the South Vietnamese to accept. This suggests the advisability of remaining flexible on the total for next year.

29. It seems to me important, therefore, that we maintain and reiterate the three criteria you have established for replacement of US forces. This has the advantage of enabling us to maintain the "cut and try" method as opposed to the impression that we are locking ourselves into an automatic schedule of withdrawal. I believe there would be a distinct advantage here in indicating that while the capacity of RVNAF to replace our departing forces is all important, the criteria of enemy activity may at any time become equally important.

30. On the other hand, should it seem desirable to announce an overall target for 1970, I believe it might be desirable to put this in terms of a range of figures coupled with an announcement of a forthcoming meeting of the two Presidents, some time early next year, to review progress in the replacement program and to compare assessments of the overall situation. It is important that the public in Viet-Nam sees that the GVN has a role in the decision making. This would be in line with the pragmatic approach which has characterized replacement programs so far.

31. Because there is considerable fear that the US may announce an excessively large goal for 1970, it would seem desirable if Thieu could start talking in terms of figures before we do. To an extent this has already happened through his October 6 speech about replacing the "bulk of US forces" by the end of the year. Morale is good, but is also brittle and can be fractured if care is not exercised.

G. Cease Fire

32. I have not yet had an opportunity to discuss the question of cease fire in any detail with President Thieu. I have suggested to him that it would be desirable to discuss (a) what our joint response should be to a proposal for a cease fire by the other side, and (b) our views regarding the procedures or moralities which would be essential were we to decide at some point that it would be desirable to table ourselves a proposal for a cease fire.

TOP SECRET

-10-

33. Thieu has indicated that he would like to discuss both points, but that he will not himself be able to get into the problem until after November 1. He has suggested in the meantime that we begin explorations with the Foreign Minister and the Presidential Adviser on Foreign Policy, Nguyen Phu Duc. He expressed the view, however, that we should continue to exploit the offer already made to discuss procedures for a cease fire and that we should continue to make it clear to world opinion that we are prepared to enter into such discussions. He also agreed that we should establish a common position in the event that the other side should agree to discussions on procedures for a cease fire.

34. It has seemed to me that if a cease fire is to be meaningful and stable it must at a minimum include provisions for verification and regroupment (in connection with withdrawal of non-South Vietnamese forces). This in principle was expressed in your speech of May 14 when you said that we are prepared to withdraw the bulk of our forces within one year provided the North Vietnamese are willing to do the same, with the remainder to move into designated regroupment areas on the assumption that the North Vietnamese would do likewise. This is an entirely reasonable proposition and one which I should think would receive public approval. It would at least provide a means for reducing the violence and prepare for peaceable settlement by the freely expressed will of the South Vietnamese people themselves.

35. These are preliminary thoughts and I shall be following up with President Thieu in the coming week.

H. Conclusion

36. On balance, it seems to me that one cannot deny that very substantial progress has been made here in many areas, especially in the last year; in the expanding areas of security; in the growing authority of the government; in the intensive efforts being made to improve the size, equipment and training of the military forces; in the movement toward a revolutionary land to the tiller program; in the development of local self-government and the involvement of the people in their own development programs; in the effort to improve the effectiveness of administration at all levels; in economic and social development despite the war. These are all indications of the growing strength and stability of the government.

37. Yet one must not be blind to deficiencies and problem areas. The traditional inability of Vietnamese politicians to cooperate is still a fact of life. The six-party front (now reduced to five) supporting Thieu has made little progress. Five "loyal" opposition parties in six months of effort have failed to find common ground. There are still some

TOP SECRET

TOP SECRET

-11-

prominent individuals waiting in the wings and withholding cooperation with the government hoping opportunity will come their way.

38. There is still a reluctance on the part of military and civil bureaucracy to cede power to democratically elected local government. While a considerable amount of housecleaning has been done in the attack on corruption, notably in the removal of many province and district chiefs and in the police, a great deal remains to be done. Land reform, which hopefully will be passed within a month, has been caught in a legislative cross fire. Full mobilization and the demands it has made on manpower and the other resources have placed a great strain on the country.

39. Probably the potentially most unsettling factor is apprehension about the intentions of the United States. Public statements by members of Congress and others advocating immediate or large scale withdrawal of US forces, and setting time limits for withdrawal, raise doubts about the strength of our commitment and the conviction on the part of many Vietnamese that these play into the enemy's hands.

40. I believe, however, that Vietnamization can and will work if it is carried out prudently and pragmatically and with enough flexibility to enable us to counter enemy moves. Perhaps one yardstick with which to measure its potential success is the enemy's violent criticism of it.

TOP SECRET